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ANNOUNCEMENT: Let's stop today in the midst of the rush of fall season work to look at the agricultural situation over all the millions of acres of fat farm land in the United States. The United States Department of Agriculture sends us a monthly review of the agricultural situation, and here it is.

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The little Blue Book this month -- that's our slang term for the monthly report on "the agricultural Situation," -- tells the tale of a dry year. Everywhere in the harvest time and seeding time activity which October brings to the farms of America the effects of last summer's drought are plainly evident.

"The corn harvest now looms large," says the Blue Book. "The East is busy filling silos and threshing late grain, the South picking cotton, the West sowing winter wheat and shipping livestock, the Northwest struggling against dry weather to get its fall grain sown.

"September rains finally broke the drought which held much of the country during most of the summer. This drought cut the total production of grain below average, took toll of other late crops, and reduced crop yields as a whole so that they will probably run about 6 percent below the recent ten-year average. The drought, by shortening the pastures, also curtailed milk production sharply throughout the East and created a serious winter feeding problem for livestock in the West. The condition of pastures generally on September 1 was the poorest in 15 years.

"In the Pacific Northwest the drought situation is still very serious. Ranchers have had great difficulty in fitting their land for winter wheat, while stock has suffered and forest fires have dewastated large areas.

"The sowing of fall grain has been attended by dry weather difficulties in the central wheat belt also. The August reports indicated growers' intentions to increase the acreage of winter wheat this fall about one per-cent over last fall. That would mean about 43,271,000 acres. It may be doubted whether this acreage will be sown this fall, because of the weather handicaps. In fact, experience has shown that the actual seeding of wheat falls short of the intended acreage by about 4½ per cent on the average.

"It is hard red winter wheat in particular which has presented the

surplus problem in recent years. Sowing of the intended acreage in the Nebraska-Kansas-Oklahoma territory, if accompanied by average abandonment and average yields would again produce a large surplus over normal domestic requirements for hard red wheat.

"The world market for wheat of the 1930 crop probably will be no better and may not be as good as that for the present season. Yields of spring wheat in the United States and Canada this year have been very low and prospects are that yields in Argentine and Australia will also be lower than usual. Farmers should not depend upon similarly reduced yields next year keeping down the world wheat crop.

"Looking further ahead," we read in the Blue Book, "United States farmers must expect to meet continued keen competition in export markets from Canada, Australia and Argentine. Furthermore, there is a possibility that Russia may again be a factor in the world market in a few years. In view of the general tendency for expansion of acreage in the principal exporting countries it seems very doubtful if prices of wheat in world markets during the next few years will average much above the levels of the past six years, unless unfavorable conditions should result in a series of unusually low yields."

Well let's take our spy glasses off the distant horizon and look again at the current situation.

Effects of the dry season are evident among the vegetable crops no less than the grains. The potato crop is estimated at about 350 million bushels, which is one of the lightest crops in ten years. Total car-lot shipments of this season's fruits and vegetables, through August and September, ranged around 15 per cent lighter than last year.

Now to look at the markets which have resulted and may be expected to result from these shortages in many lines: Potatoes appear to be in a strong position, even though the dealers seem to expect a spell of lower prices early this month. They look for recovery after the October slump, assuming that the market will follow the general course of some other recent short-crop seasons.

The relatively high price of potatoes will apparently have some stimulating effect upon the acreage planted for next season's early crop. Florida growers indicate intentions to increase their plantings of early potatoes about one-fourth compared with last year. Southern Texas growers have planned an increase of nearly eight per cent. Of course it is too early yet to say anything about the plans of northern growers for next year. But there is this possibility -- that northern planting may be affected somewhat by a reduced supply of certified seed stock.

The onion crop this year is different from the crop of last year. It is almost one-half larger. Even so, produce dealers expect a good winter market. Why? Well, because the increase in production is about all in the West; in places far away from the great consuming markets, and not well supplied with local storage facilities. This situation might cause considerable waste and neglect during the shipping season should

market conditions take an unfavorable turn.

Cabbage likewise was heavily produced this season, so the markets are lower than a year ago, but there is one vegetable that the American consumer seems to want in larger and ever larger quantities. That is lettuce. So the winter growers evidently are planning to increase acreage liberally this season. And the vitamin-full tomato also is in larger and larger demand every year. This year's crop in the canning regions was affected by drought but the yield was fairly good, and prices were decidedly higher than last year.

Now let's look at fruits. The commercial apple crop was forecast last month at nearly one-sixth less than a year ago. Taking the apple markets as a whole, prices have been running about fifty per cent higher than last year.

The pear season this year is largely a western affair. In the East a light set of pears and the summer drought lessened the crop, but on the Pacific Coast prospects improved all the way through the season. The Golden West will supply nearly sixty per cent of the pears going to market this year.

The peach crop suffered a little more from drought than other tree fruits. New York crop is about one-third less than last season. And there is complaint of small size in most sections. Grapes, also are not such a heavy crop this year as last. But that doesn't mean that there is a shortage for there has been an overproduction of this luscious fruit in recent years. The California crop is only about three-fourths as large as last year. In other grape states the crop is off about one-seventh.

Now to round out this picture of the agricultural situation we ought to take a look at the dairy markets and the poultry and egg markets. Something unusual has happened in the butter markets -- and of course butter markets are of interest to all of you who sell cream. On September 1 this year the stock of butter in storage was the highest in history. BUT the markets did not decline when the storage holdings were announced. A good many of you already know the answer. It is the steady decrease in the amount of butter production which you would naturally expect to follow the shortage in pastures that resulted from this last summer's drought. It is a safe assumption that production is slipping rapidly in all sections. Improved weather conditions which followed the severe heat apparently came too late to improve pastures and feed crops materially. So, this decreasing production of milk and cream will support a butter market which would have bee mighty weak otherwise.

All of you who produce fluid milk, and all fluid milk consumers in this audience know that the market for this product is firm. In a number of places over the country milk prices both to producer and consumer, have advanced. In the fall these markets always strengthen. Perhaps in some areas they will strengthen more than usual this year.

Now, finally, the egg and poultry market situation. The egg markets kept up their steady price advance during September. In New York prices

ranged from 5½ to 7 cents above a year ago.

"Practically all elements of the egg trade agree that the look ahead remains favorable and market prospects firm. At least until such time as fall receipts may be affected by the increased crop of pullets now on farms, or the current favorable level of consumption may be adversely affected by the relatively high price levels," the Blue Book states.

But things are different again in the markets for poultry. It is too early yet to have complete information but apparently more poultry is being dressed out in the early fall season than a year ago. So far more poultry has come to market and more has gone into storage. All of these things confirm the earlier reports that more chickens were hatched last spring and more birds will come to market this fall. Naturally with more birds coming to market and more poultry going into storage, prices are lower than last year. There is a bulge upward now because of the Hebrew holiday season.

So there you have your monthly review of the agricultural situation and it boils down, as we enter October, pretty well to the headline of the Department of Agriculture Little Blue Book, "THE HARVEST REFLECTS A DRY YEAR."

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CLOSING ANNOUNCEMENT: On the first Monday of November we shall send you another of these reviews of the agricultural situation prepared for us by the United States Department of Agriculture. Your comments on them will be welcomed.